



California Economic Update

March 14, 2016

Summary

Nonfarm payroll employment in California declined by 1,500 jobs and the unemployment rate fell to 5.7 percent in January according to data released by the Bureau of Labor Statistics (BLS).

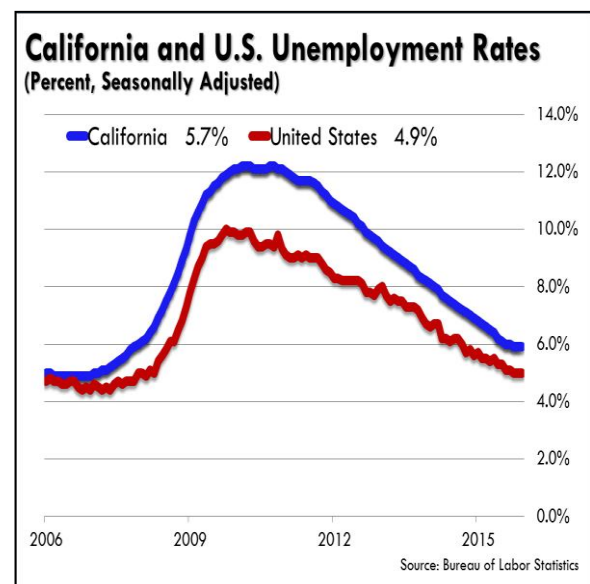
California Unemployment Rate

During January, the unemployment rate in California declined by 0.2 percentage point to 5.7 percent. The number of people counted as unemployed fell by 35,262 in January to 1,088,843, while the labor force grew by 17,110 to 19,018,840. Among the 50 states and the District of Columbia, 39 posted lower unemployment rates for the month than California. A year earlier, the unemployment rate in California stood at 6.8 percent.

The 10 year peak for the unemployment rate in California was 12.2 percent in October 2010.

This also represents the series high for the unemployment rate in California. The 10 year low for the unemployment rate in California was 4.9 percent in December 2006. The series low for the unemployment rate in California occurred in December 2000 when the unemployment rate reached 4.7 percent. BLS began publishing the state unemployment rate series in 1976.

The national unemployment rate was unchanged at 4.9 percent in February. February's unemployment rate was 0.6 percentage point lower than a year earlier. The 10-year high for the national unemployment rate was 10.0 percent in October 2009. The 10-year low was 4.4 percent in May 2007.



California Payroll Employment

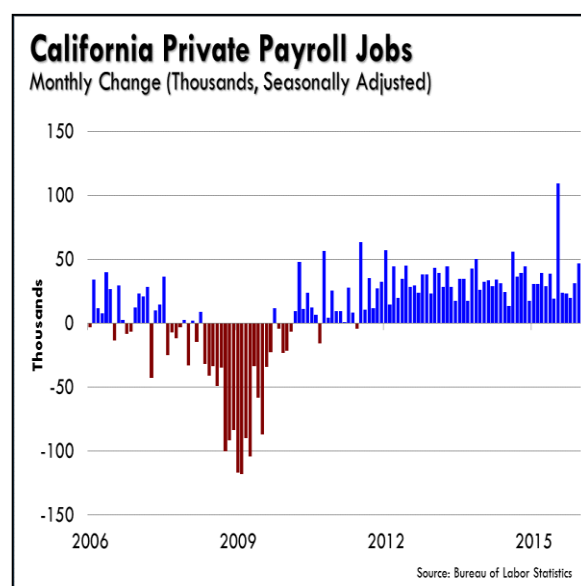
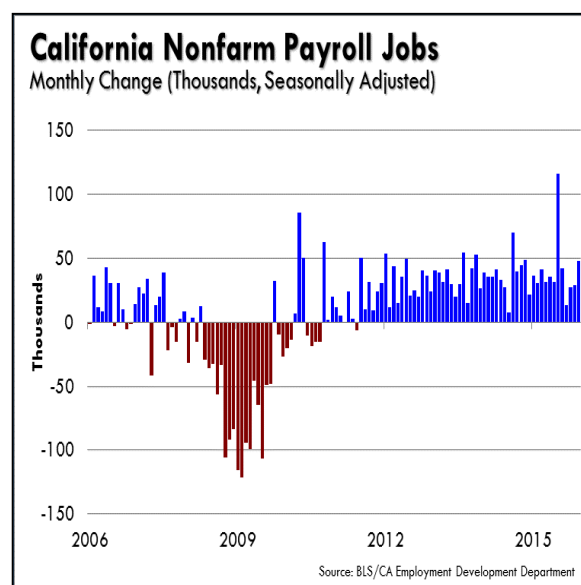
California nonfarm payrolls declined by 1,500 jobs, or 0.01 percent, on a seasonally adjusted basis during January. In the prior month, nonfarm payrolls increased by 47,700. Over the past 12 months nonfarm payrolls in California increased by 444,900, or 2.81 percent. California nonfarm payroll employment has increased in 11 of the past 12 months.

Nationally, nonfarm payrolls increased by 242,000 jobs in February, or 0.17 percent. Over the 12-month period ending February 2016 nonfarm payrolls grew by 2,672,000 jobs, or 1.9 percent. California ranks 9th among the 50 states and the District of Columbia for percentage gain in nonfarm payroll employment over the past 12 months.

During January, California private sector payrolls declined by 4,300, or 0.03 percent. Private sector payrolls increased by 46,500 jobs in the prior month. Over the past 12 months, private sector payrolls in California increased by 406,600, or 3.04 percent. California private sector payroll employment has increased in 11 of the past 12 months.

Nationally private-sector payroll jobs increased by 230,000 jobs in 1.9, or 0.19 percent. Over the past 12 months, the nation's economy has added 2,597,000 jobs in the private sector, an increase of 2.18 percent. California ranks 10th among the 50 states and the District of Columbia for percentage gain in private sector payroll employment over the past 12 months.

During January, total government payroll employment in California increased by 2,800, or 0.11 percent. Federal government payroll employment increased by 100, or 0.04 percent. State government payroll employment increased by 2,000, or 0.39 percent, while local government payroll employment increased by 700, or 0.04 percent.



Over the past year, total government payroll employment increased by 38,300, or 1.57 percent. State government payroll employment increased by 5,200, or 1.02 percent. Local government payroll employment increased by 29,700, or 1.76 percent.

The best performing sectors on a seasonally adjusted basis during January were Educational & Health Services (+9,500) and Leisure & Hospitality (+5,800). The poorest performing sectors during the month were Professional & Business Services (-17,300) and Financial Activities (-5,700).

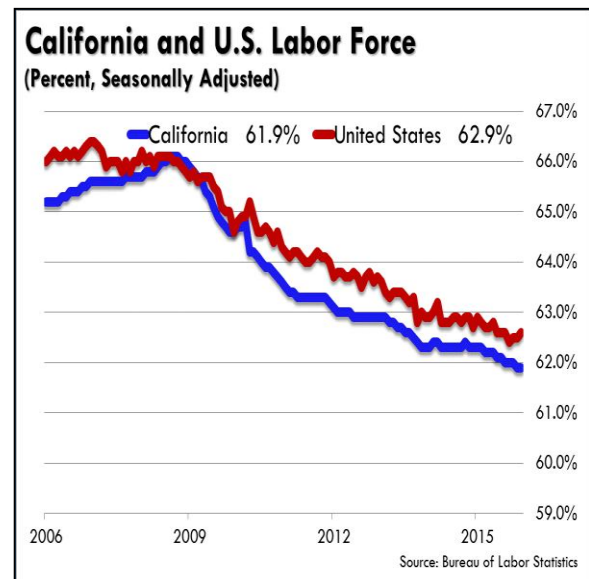
The best performing sectors during the last twelve months were Educational & Health Services (+100,700) and Professional & Business Services (+78,000). The poorest performing sectors for the year were Mining & Logging (-4,500) and Manufacturing (+3,500).

Other California Labor Force Statistics

The labor force participation rate in California was unchanged at 61.9 percent in January. Among the 50 states and the District of Columbia, 32 have a higher labor force participation rate than California. The labor force participation rate in California is unchanged from a year earlier. The labor force participation rate is the percentage of the civilian noninstitutionalized population age 16 and older who are employed or actively looking for work.

The 10 year high for the labor force participation rate in California was 66.1 percent in October 2008. The series high for the labor force participation rate in California occurred in December 1989 when the labor force participation rate hit 67.9 percent. The 10 year low for the labor force participation rate was 61.9 percent in December 2015. This also represents the series low for the labor force participation rate in California.

The national labor force participation rate rose by 0.2 percentage point to 62.9 percent in February, but remains near its 38-year low of 62.4 percent.



The employment-to-population ratio, or the percentage of the California civilian noninstitutionalized population 16 years and older counted as employed, rose to 58.4 percent in January from 58.3 percent the prior month. Among the 50 states and the District of Columbia, 35 have higher employment-to-population ratios than California. The employment-to-population ratio in California is 0.3 percentage point higher than a year earlier.

The 10 year high for the employment-to-population ratio in California was 62.3 percent in March 2007. The series high for the employment-to-population ratio in California occurred in December 1989 when the employment-to-population ratio hit 64.4 percent. The 10 year low for the employment-to-population ratio was 55.9 percent in July 2011. The series low for the employment-to-population ratio occurred in August 2011 when the employment-to-population ratio hit 55.9 percent.

The national employment-to-population ratio rose by 0.2 percentage point to 59.8 percent in February. That rate was 0.5 percentage point higher than a year earlier. The all-time high for the employment-to-population ratio was 64.7 in April 2000. The 10-year high for the employment-to-population ratio was 63.4 percent in December 2006. The recent low occurred in October 2013 when the employment-to-population ratio dipped to 58.2 percent. The last time the employment-to-population ratio posted a reading lower than 58.2 percent was July 1983.

State employment and unemployment data for February is scheduled for release on March 25, 2016. The national employment situation report for February was released on Friday, March 4, 2016.

